<u>SSB 5131</u> - S AMD TO S AMD (S-1867.1/17) **96**By Senator Rivers

ADOPTED 03/07/2017

1 On page 27, after line 23 of the amendment, insert the following:

2 "NEW SECTION. Sec. 14. The legislature finds that protecting the state's children, youth, and young adults under the legal age to 3 purchase and consume marijuana, by establishing limited restrictions 4 on the advertising of marijuana and marijuana products, is necessary 5 to assist the state's efforts to discourage and prevent underage 6 7 consumption and the potential risks associated with underage consumption. The legislature finds that these restrictions assist the 8 9 maintaining a strong and effective regulatory in enforcement system as specified by the federal government. 10 legislature finds this act leaves ample opportunities for licensed 11 12 marijuana businesses to market their products to those who are of 13 legal age to purchase them, without infringing on the free speech rights of business owners. Finally, the legislature finds that the 14 state has a substantial and compelling interest in enacting this act 15 16 aimed at protecting Washington's children, youth, and young adults.

- 17 **Sec. 15.** RCW 69.50.357 and 2016 c 171 s 1 are each amended to 18 read as follows:
- 19 (1) Retail outlets may not sell products or services other than 20 marijuana concentrates, useable marijuana, marijuana-infused 21 products, or paraphernalia intended for the storage or use of 22 marijuana concentrates, useable marijuana, or marijuana-infused 23 products.
 - (2) Licensed marijuana retailers may not employ persons under twenty-one years of age or allow persons under twenty-one years of age to enter or remain on the premises of a retail outlet. However, qualifying patients between eighteen and twenty-one years of age with a recognition card may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen with a recognition card and who accompany

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their designated providers may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement, but may not purchase products for their personal medical use.

- (3)(a) Licensed marijuana retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the state liquor and cannabis board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.
- (b) Licensed marijuana retailers with a medical marijuana endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorizations and recognition cards. Employees must also be trained to permit qualifying patients who hold recognition cards and are between the ages of eighteen and twenty-one to enter the premises and purchase marijuana for their personal medical use and to permit qualifying patients who are under the age of eighteen with a recognition card to enter the premises if accompanied by their designated providers.
- (4) ((Licensed marijuana retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name. Each sign must be no larger than one thousand six hundred square inches, be permanently affixed to a building or other structure, and be posted not less than one thousand feet from any elementary school, secondary school, or playground.
- (5))) Except for the purposes of disposal as authorized by the state liquor and cannabis board, no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.
- ((\(\frac{(+6+)}{(5)}\)) (5) The state liquor and cannabis board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana account created under RCW 69.50.530.
- **Sec. 16.** RCW 69.50.369 and 2015 2nd sp.s. c 4 s 204 are each 37 amended to read as follows:
- 38 (1) No licensed marijuana producer, processor, researcher, or 39 retailer may place or maintain, or cause to be placed or maintained, Code Rev/AI:amh 2 S-1868.1/17

- an advertisement of marijuana, useable marijuana, marijuana concentrates, or a marijuana-infused product in any form or through any medium whatsoever((÷
- (a)) within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older((\div
- 8 (b) On or in a public transit vehicle or public transit shelter;
 9 or
- 10 (c) On or in a publicly owned or operated property)).
 - (2) No marijuana licensee may:

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- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of marijuana and marijuana products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of marijuana or marijuana products;
- (b) Use objects such as toys, inflatables, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or
- (c) Use or employ a commercial mascot outside of a licensed marijuana business. A "commercial mascot" means live human being, animal, or mechanical device used for the purpose of commercial advertising, such as sign spinners, sign clowns, sandwich board signs over a live human body, and persons dressed to appear or suggest as a trademark or symbol of a commercial enterprise.
- (3) No marijuana licensees may engage in outdoor advertising except as specifically provided for in this section.
 - (a) Outdoor advertising is prohibited:
- (i) On signs and placards in arenas, stadiums, shopping malls,
 fairs that receive state allocations, farmers markets, and video game
 arcades, whether any of the foregoing are open air or enclosed, but
 not including any such sign or placard located in an adult only
 facility; or
- (ii) On any other advertisements placed outdoors or on the inside surface of a window facing outward that do not meet the exclusionary provisions contained in (c) of this subsection.
- 38 (b)(i) Billboards that are visible from any street, road,
 39 highway, right-of-way, or public parking area are prohibited, except
 40 as provided in (b)(ii) of this subsection.

- (ii) Licensed retail outlets may use a billboard or outdoor sign solely for the purpose for providing directional information to the public to a licensed retail outlet. The content of the directional signs are strictly limited to the store's licensed name, its logo, and directions to the licensed retail outlet. The billboards and signs may not contain any depictions of marijuana plants or products.
 - (c) Outdoor advertising does not include:

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- (i) An individual advertisement that does not occupy an area larger than two thousand four hundred square inches and that neither is placed in such proximity to any other such advertisement so as to create a single mosaic-type advertisement larger than two thousand 11 four hundred square inches, nor functions solely as a segment of a larger advertising unit or series, and that is placed on the outside of any licensed retail establishment that sells marijuana products, 14 outside but on the licensed premises of any such establishment, or on the inside surface of a window facing outward in any such establishment;
 - (ii) An advertisement inside a licensed retail establishment that sells marijuana products that is not placed on the inside surface of a window facing outward; or
 - (iii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any marijuana product other than by using a brand name to identify the event.
 - (4) No marijuana licensees may engage in transit advertisements. "Transit advertisements" means advertising on or within private or public vehicles and all advertisements placed at, on or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.
- 32 (5) Merchandising within a retail outlet is not advertising for 33 the purposes of this section.
- 34 $((\frac{3}{3}))$ (6) This section does not apply to a noncommercial 35 message.
 - (((4))) (7)(a) The state liquor and cannabis board must:
- (i) Adopt rules implementing this section and specifically 37 including provisions regulating the directional signs authorized 38 39 under subsection (3)(b)(ii) of this section. The advertising rules

- 1 <u>must be as restrictive as the state and federal guidelines regulating</u> 2 cigarette advertising; and
- 3 <u>(ii)</u> Fine a licensee one thousand dollars for each violation of 4 ((subsection (1) of)) this section until the state liquor and
- 5 cannabis board adopts rules prescribing penalties for violations of
- 6 this section. The rules must establish escalating penalties including
- 7 fines and up to suspension or revocation of a marijuana license for
- 8 <u>subsequent violations</u>.
- 9 <u>(b)</u> Fines collected under this subsection must be deposited into the dedicated marijuana account created under RCW 69.50.530.
- 11 (8) A city, town, or county may adopt rules of outdoor
- 12 <u>advertising</u> by <u>licensed</u> marijuana retailers that are more restrictive
- 13 than the advertising restrictions imposed under this chapter.
- 14 Enforcement of restrictions to advertising by a city, town, or county
- is the responsibility of the city, town, or county."
- Renumber the remaining section consecutively.

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ADOPTED 03/07/2017

- On page 28, line 1 of the title amendment, after "contracts,"
- 18 insert "advertising,"
- 19 On page 28, beginning on line 3 of the title amendment, after
- 20 "69.51A.250," strike all material through "15.120.020" on line 4 and
- 21 insert "15.120.020, 69.50.357, and 69.50.369"
- 22 On page 28, line 7 of the title amendment, after "creating"
- 23 strike all material through "section" and insert "new sections"

EFFECT: Prohibits marijuana licensees from using advertising that is targeted to youth and from using objects or characters that are appealing to children. Places additional restrictions on marijuana advertising in public places and bans the use of commercial mascots. Increases the allowable size of the signs at a retail marijuana business to a maximum of 2,400 square inches. Allows billboards for the sole purpose of providing directional information to a licensed marijuana retailer's store.